GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:4568
ANSWERED ON:18.04.2001
DEFENCE PROCUREMENT BOARD
A. VENKATESH NAIK

Will the Minister of DEFENCE be pleased to state:

(a) whether the Government propose to set up Defence Procurement Board;

(b) if so, the details thereof;

(c) the time by which final decision in this regard is likely to be taken; and

(d) the other steps proposed to be taken to bring transparency in defence deal?

Answer

MINISTER OF DEFENCE (SHRI JASWANT SINGH)

(a) to (c): The Group of Ministers (GoM) constituted by the Government on 17th April 2000 to thoroughly review the national security system in its entirety and, in particular to consider the recommendations of the Kargil Review Committee and formulate specific proposals for implementation, has, inter alia, recommended the creation of a separate and dedicated institutional structure i.e. the Procurement Board, to undertake the entire gamut of procurement functions in a more professional and cost effective manner. The recommendations of the GoM have been presented to the Prime Minister on 26.2.2001.After examination and acceptance of the Report, action as required will be taken expeditiously.

(d) In consultation with the Comptroller & Auditor General of India (C&AG) and the Central Vigilance Commission (CVC), the Government has institutionalized a procedure for a mandatory and time bound scrutiny of all major defence deals exceeding Rs. 75 crores with effect from 21.9.2000. Accordingly, details of all purchase/procurement decisions/award of works of a value exceeding Rs. 75 crores will in the normal course of time be sent to the C&AG within a month of sucha decision having been taken and in any case, not later than three months. The C&AG will have all such cases scrutinized as expeditiously as possible and render a report to the Government. The Chief Vigilance Officer in the Ministry of Defence will scrutinize these reports of the C&AG to ascertain if there is any case for initiating disciplinary/vigilance/legal action in the matter. Thereafter, wherever necessary, a formal reference will be made to the CVC by the CVO, Ministry of DefenceBesides, in accordance with the standing instructions issued by the CVC, details of all contracts above Rs. 2 crores are being sent to the CVC regularly on a quarterly basis.Copies of these reports are now also being sent to the C&AG.